



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD
October 2, 2014

Minutes

PRESENT:

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

CALL TO ORDER AND ROLL CALL:

Ms. Eraina Ortega, Chairperson of the Board called the meeting to order at 2:00 p.m.
Ms. Aurelia Bethea, Executive Assistant for the Board, called the roll. A quorum was established.

Bond Items:

The first order of business is three Bond Items related to the Board's first fall bond sale.

Bond Items 1, 2, and 3 were related to the Board's October bond sale. If approved, the bonds would be priced October 15th and 16th, and close October 28th. The total estimated Par Amount of the bonds to be issued was \$255.4 million, and the proceeds would be used to fund the two Department of Corrections and Rehabilitation Jail Projects, the Judicial Council's New Red Bluff Courthouse, the Department of State Hospital's New Napa Main Kitchen, and refund prior bonds issued by the Board for debt service savings.

The Board was asked to approve and adopt 3 Resolutions, one for each of series of bonds to be issued. These resolutions, if approved and adopted, would authorize the issuance and sale of the specified Series of Bonds of the Board for the specified projects or refunding

BOND ITEM #1

Bond Item #1 was for the Department of Corrections and Rehabilitation's San Diego and Madera County Jail projects. Mr. Rogers stated, approval and adoption of the Resolution for Bond Item #1 also approves the form of and authorizes the execution of the 125th Supplemental Indenture to the Board's Master Indenture as well as the other forms previously mentioned. The estimated PAR value of the 2014 Series D bonds is \$110.8 million and the estimated True Interest Cost is 2.9%, with a not to exceed PAR of \$139.6 million and a not to exceed True Interest Cost of 4.4%.

Staff recommended adoption of the resolution. There were no questions from the Board or the Public.

A motion was made by Mr. Almanza and seconded by Mr. Dougherty to approve Bond Item #1.

Ms. Bethea called a roll:

Ayes

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

Noes

None

Bond Item #1 was approved by a 5-0 vote.

BOND ITEM #2

Bond Item #2 was for the Judicial Council's New Red Bluff Courthouse and the Department of State Hospital's New Main Kitchen at Napa State Hospital. Approval and adoption of the Resolution for Bond Item #2 would also approve the form of and authorize the execution of the 126th Supplemental Indenture to the Board's Master Indenture as well as the other forms previously mentioned. The estimated PAR value of the 2014 Series E bonds is \$79.1 million and the estimated True Interest Cost is 3.7%, with a not to exceed PAR of \$100.2 million and a not to exceed True Interest Cost of 4.8%.

Staff recommended adoption of the resolution. There were no questions from the Board or the Public.

A motion was made by Mr. Fowler and seconded by Mr. Dougherty to approve Bond Item #2.

Ms. Bethea called a roll:

Ayes

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

Noes

None

Bond Item #2 was approved by a 5-0 vote.

BOND ITEM #3

Bond Item #3 was for the Department of Corrections and Rehabilitation, Pleasant Valley State Prison, and would authorize the sale of refunding bonds. Approval and adoption of the Resolution for Bond Item #3 would also approve the form of and authorize the execution of the 127th Supplemental Indenture to the Board's Master Indenture as well as the other forms previously mentioned, including an Escrow Agreement and a Termination Agreement. The estimated PAR value of the 2014 Series F bonds was \$65.4 million and the estimated True Interest Cost is 1.1%, with a not to exceed PAR of \$72.3 million and a not to exceed True Interest Cost of 3.6%. The refunding was expected to result in net present value savings of \$8.4 million, and \$1.6 million in annual savings for five-years.

Staff recommended adoption of the resolution. There were no questions from the Board or the Public.

A motion was made by Mr. Dougherty and seconded by Mr. Fowler to approve Bond Item #3.

Ms. Bethea called a roll:

Ayes

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

Noes

None

Bond Item #3 was approved by a 5-0 vote.

BOND ITEM #4

Bond Item #4 would approve a resolution and authorize interim financing for the Department of Corrections and Rehabilitation's Juvenile Detention Project in Los Angeles County.

The proposed action was to consider adoption of a resolution to: 1) authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds; 2) authorize the sale of lease revenue bonds; and 3) approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

The total bond appropriation was for \$28.7 million which was the state's authorized share of the project. The total project cost was \$44.5 million with the County contributing the difference (\$15.7m).

Staff recommended adoption of the resolution. There were no questions from the Board or the Public.

A motion was made by Mr. Almanza and seconded by Mr. Fowler to approve Bond Item #4.

Ms. Bethea called a roll:

Ayes

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

Noes

None

Bond Item #4 was approved by a 5-0 vote.

The Chair thanked the Mr. Yowell and Mr. Fowler for attending today's meeting.

CONSENT ITEMS:

The Consent Calendar consisted of Item 1:

- For the Department of Parks and Recreation - Consider authorizing acquisition for the Hungry Valley State Vehicle Recreation Area, Frazier Mountain, Kern County.

Staff recommended approval of the Consent Calendar consisting of Consent Item 1. There were no comments or questions from the Board, or the public on this item.

A motion was made by Mr. Dougherty and seconded by Mr. Almanza to approve Consent Calendar Item 1. The Consent Calendar was approved by a 3-0 vote.

ACTION ITEM:

The next order of business was the Action Item

Action Item #1 was for the High Speed Rail Authority, Initial Operating Segment, Section 1, Two Property Condemnations in Madera County. Ms. Sally Lukenbill informed the Board that if approved, Action Item #1 would adopt Resolutions of Necessity authorizing the use of eminent domain to acquire two properties totaling approximately 0.9 acres. Ms. Harjinder Chima, acting as Counsel to the Board, presented the Resolution of Necessity.

At the meeting, Ms. Lukenbill indicated that the property owner presented a letter expressing concerns with the process of acquiring her property. Mr. Dougherty added that the letter stated the owner's belief that she's being harmed. Ms. Chima stated that the alignment was selected as the path of least private injury to all property owners. Ms. Eraina Ortega stated the letter also noted that she is willing work to reach a conclusion.

There were no further comments or questions from the Board or the public regarding this item.

A motion was made by Mr. Dougherty and seconded by Mr. Almanza to adopt the staff recommendation for Action Item #1. The staff recommendation was adopted by a 3-0 vote.

MINUTES:

The next order of business was approval and adoption of the minutes from the August 13 and September 12 meetings. Mr. Rogers reported that staff had reviewed the minutes and recommended approval and adoption of the minutes.

A motion was made by Mr. Almanza and seconded by Mr. Dougherty to approve and adopt the minutes. The minutes were approved by a 3-0 vote.

NEXT MEETINGS:

The next Board meeting was scheduled for Friday, October 24 at 2:00 pm in the **State Capitol, Room 113.**

Ms. Ortega asked if there were any comments or questions from the Board or the public. Mr. Russ Browning, Mr. Allen Brown, and Mr. Oliveira, representing Citizens for California High Speed Rail Accountability, addressed the Board and raised various concerns about the high speed rail project.

There were no further comments or questions from the public.

This meeting was concluded at 10:47am.